



Hollywood Property Owners Alliance
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July 27, 2007

TO: Holly Wolcott
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Entertainment District POA

Subject: Second Quarter Report
April 1, 2007 - June 30, 2007

As is required in our agreement with the City of Los Angeles, I am submitting our Second Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- The Board approved the Annual Financial Review (for 2006) prepared by RBZ, LLP at their April 19, 2007 meeting.
- The Annual Board Retreat was held on May 17, 2007 at the Roosevelt Hotel. The retreat was facilitated by consultant Brad Segal, from Progressive Urban Management Associates.
- The Board voted in May to adopt a three percent property assessment increase for the 2007-2008 tax year.
- The Board approved using Muni Financial, a consulting firm based out of Temecula, CA., to assist in technical aspects with the BID renewal process for a total to not exceed \$18,000 over a two year period.
- An Ad-Hoc Committee composed of Board members, Monica Yamada, Jose Malagon, Tej Sundher, Alan Sieroty, in addition to Executive Director Kerry Morrison and HPOA Attorney Jeff Briggs reviewed and amended the current Hollywood Property Owners Alliance Bylaws. The Board approved the amended and restated Bylaws at their June 21, 2007 meeting.
- An All Property Owners Meeting was held June 26, 2007 at Cinespace

Hollywood Property
Owners Alliance
Board of Directors

Monica Yamada
President
CIM Group, Inc.

Joel Fisher
Vice President
Avolon

Jose Malagon
Secretary
Hollywood Media
Center

Jeff Rouze
Treasurer
Historic Hollywood
Hillview LLC

Chris Bonbright
Whitley Court Partners

Lynnda Bybee
MTA

William Hertz
Mann Theatres

Nathan Korman
NBK, LLC

Ron Radachy
Oasis of Hollywood

Hilary Royce
Church of Scientology
International

Alan Sieroty
Sieroty Company

Thaddeus Smith
The Music Box
@Fonda

Frank Stephan
The Claret Group

Tej Sundher
Hollywood Guinness
Museum

John Tromson
Tromson Investment
Group

Kerry Morrison
Executive Director

on Hollywood Blvd. The BID presented to those in attendance an informative presentation on BID renewal and shared highlights from not only the last year, but also from the board retreat.

- Monica Yamada appointed the nominating committee for this year's board member election. The Nominating Committee is John Tronson, Thaddaus Smith, and Michel Bolour. A mailing was sent to all property owners on July 12, 2007 informing them of five vacancies on the Board. The deadline for applications is the last Thursday in July.

II. Security

- A Security Open House was held on May 10, 2007 to invite board members as well as property owners and community members to come and view the new and improved BID Security Headquarters for both the Hollywood Entertainment District and the Sunset and Vine Business Improvement Districts. The headquarters is at Hollywood and Highland in a space donated by CIM Group, Inc.

- The Board agreed to co-sponsor PATH's "H.E.R.O." Program which would begin in the Summer of 2007. The program reaches out to homeless individuals in the Hollywood area. Other groups sponsoring the program include the Sunset and Vine Business Improvement District, the Media District BID, and the CRA.

- Andrews International, which begin patrolling the BID area in January 2007 is on track to meet, if not exceed arrest totals from last year within the BID area.

- Andrews International has also taken a proactive stance in helping to reach out to the homeless population in the Hollywood area. The company has begun working with outreach groups such as PATH, Social Services at Blessed Sacrament, Inc., My Friend's Place, and others in the community to give those in the homeless population another option to life on the street. In total, this year alone, Andrews has handed out over 2,000 referral cards to assists individuals who are living on the street.

- Kerry Morrison and Dan Chismire, from CIM Group, Inc., testified before the Police Commission board to move the starting point for the Immigration march on June 24 from Hollywood and Vine to Hollywood and Ivar, due to the fact that construction at the "V" Hotel site could serve as a liability to attendees and officers. The two were successful in their efforts.

III. Streetscape Issues

- At the April 19, 2007 meeting the Board approved a change order to amend the Clean Street Agreement through December 31, 2008. The change order reflects a monthly costs of \$56,621 which could be increased April 1, 2008 by a CPI inflator.
- The Board approved funding for the Chinese Elm trees along Ivar to be trimmed. It has been two years since the trees were last trimmed.

IV. Marketing Issues

- The 2007-2008 Visitor's Guide and Map Campaign was begun with the Board approving an increased quantity of 400,000 maps produced this year. The map will now also feature businesses from the Sunset and Vine Business Improvement District. It is expected to be distributed in late July.
- A Ten-Year Timeline of the Hollywood Entertainment District was developed and completed by the BID. The Timeline shows the last ten years in Hollywood from a city and BID perspective. The board approved a quantity of 3,000 to be printed. The piece will be used as marketing collateral for the BID in the coming years.

V. OTHER

- Surveys were distributed to property owners and representatives within the BID to try to get initial thoughts on BID Renewal as the BID will be looking to begin the process in late July.
- Morrison has begun working with various property owners within the BID area to develop a map of available parking for club and restaurant owners to post on their websites to help ease parking congestion in the BID.
- Morrison continues to consult with the Sunset and Vine BID, assisting in various developments between the group and vendors.

Hollywood Property Owners Alliance

Annual Limits & Year-To-Date Totals

Quarter Ending June 30, 2007

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT THIS QTR	AMOUNT YEAR-TO-DATE	PROJECTED REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	2,440,654		1,012,230	2,295,854		
City Fees	24,406		-	24,382	-	
Contingency	50,000		-			
Administration	147,874		44,841	70,298	77,576	
Security	1,300,348		318,812	563,752	736,596	
Maintenance	672,138		169,863	332,413	339,725	
Personnel	291,086		82,153	82,153	208,933	
ED&CM/Marketing	68,500		23,524	27,990	40,510	
TOTAL	2,554,352	-	639,193	1,100,988	1,403,340	

Other Income (not included above):

DWP Grant

Assessment Penalties

Interest-LA City

Interest-Other

Total other income as of June 30, 2007

4,312.27
4,825.00
16,495.40
25,632.67

HPQA 04-06	January Actual	February Actual	March Actual	April Actual	May Actual	June Budget	June Actual	June Difference	July	August	September	October	November	December	YTD	Original Budget	Difference
INCOME																	
Guest Assessments															2,440,654	2,440,654	-
Projected Delinquencies															59,000	59,000	-
Net Income		928,628	340,790		24,071	632,305	688,188	355,853		90,000	-	-	-	-	2,589,654	2,499,654	14,000
City Interest Income			1,423				2,783	2,783							4,206		4,206
Penalty Income	618		3,432												4,051		4,051
Interest Income	881	1,541	4,077	3,361	2,833	1,290	4,883	3,483	1,500	1,500	1,200	1,000	500	100	21,178	13,300	10,878
Net Receipts																	
Total Revenue	1,500	928,967	365,730	3,361	28,905	833,905	997,624	362,119	1,500	91,500	1,200	1,000	500	100	2,417,286	2,447,854	14,432
EXPENSES																	
Security Patrol	86,923	68,825	80,891	117,182	92,590	95,798	92,160	12,626	119,745	65,798	65,798	119,745	95,798	95,798	1,189,685	1,245,348	(75,393)
Security Contingency	501			2,800	13,105	35,000	285	(34,755)							16,471	65,096	(13,529)
Maintenance and Structures	54,163	54,183	54,183		113,242	98,621	58,621		58,621	58,621	58,621	58,621	58,621	58,621	472,138	472,138	1
Net - Structures																	
Maintenance Activities	803	83	530	5,171	4,231	4,800	2,202	(1,769)	4,000	4,000	4,000	4,000	4,000	4,000	37,000	48,000	(11,000)
Marketing and Consulting																	
Marketing - Benchmark																	
Research					2,733										2,733		2,733
Marketing-Advertising					4,083			4,083	2,000						18,738	15,000	4,738
Consulting	1,300	594	1,177	1,032	2,063	7,450	3,761	(3,689)	1,853	3,700	2,500	1,850	1,850	1,850	27,272	29,800	(2,527)
Accounting Fees		1,868	2,328	870	5,505	285	1,289	1,004	285	285	285	285	285	285	4,517	3,420	1,097
Business Meals		25	308	486	729	285	1,289	1,004	285	285	285	285	285	285	4,388	3,300	1,088
Out-of-Pocket/Books	1,540	85	850			650	855	208	100	100	150	100	400	400	28,080	56,000	(27,920)
Insurance									18,000	10,000	2,330	2,330	2,330	2,330	18,459	27,540	(8,531)
Health Insurance	480	480	1,442	480	480	2,330	1,048	(1,281)	2,330	2,330	2,330	2,330	2,330	2,330	18,459	27,540	(8,531)
Legal	1,000	1,052	1,000	1,000	1,000	1,000	1,000		1,000	1,000	1,000	1,000	1,000	1,000	12,042	12,042	0
Office Expenses	508	594	782	774	2,136	880	2,655	1,705	880	880	880	880	880	880	12,818	10,000	2,818
Telephone	441	655	650	1,051	1,235	775	1,082	317	775	775	775	775	775	775	5,818	9,000	(3,182)
Travel		8	887		687		(643)	(643)					800		3,048	3,000	(48)
Car Leases		24,382													24,382	24,498	(116)
Motorcycles																	
Office exp. Furniture																	
Office equipment																	
Fleet	3,481	2,148	2,251	2,394	3,373	2,390	2,813	453	2,380	2,380	2,380	2,380	2,380	2,380	18,839	28,000	(9,161)
Bank Fees					4										4		4
Personnel	18,904	17,955	18,430	21,815	27,682	28,242	27,047	905	28,241	28,241	28,241	28,241	28,241	28,241	301,288	314,583	(13,295)
Staff Salaries		71	280				248	248							587		587
Temp Salaries																	
Payroll Taxes	1,548	1,558	1,577	807	2,335	2,077	2,121	44	1,852	1,852	1,852	1,852	1,852	1,852	20,340	22,530	(2,190)
Social Taxes					10										18		18
Contingency						3,000		(3,000)	3,000	3,000	3,000	3,000	3,000	3,000	18,000	36,000	(18,000)
Total Expenses	172,302	174,784	175,434	180,240	278,980	228,718	200,017	(39,899)	244,285	210,880	201,680	227,189	200,240	203,680	2,458,135	2,598,325	(140,190)
Net Cash Flow	(170,802)	253,883	190,296	(158,878)	(252,075)	364,789	795,607	400,818	(243,089)	(119,480)	(200,480)	(225,189)	(198,740)	(203,500)	(132,848)	(119,471)	143,623
Beginning Cash	386,808	167,103.81	871,575	1,088,988	908,748		737,678		1,287,088	1,147,608	947,118	728,879	521,188	317,689	317,689		317,689
Ending Cash	187,104	871,574.98	1,088,988	908,748													
Adjustments																	
Beginning Assets	26,682	27,687.62	34,289	50,959	50,626		50,626								246,712		
Ending Assets	(27,088)	(27,687.62)	(27,788)	(50,959)	(50,626)		(50,626)								(233,832)		
Beginning Liabilities	(187,118)	(159,720.48)	(110,139)	(110,139)	(185,653)		(185,653)								(861,650)		
Ending Liabilities	159,720	110,608.23	111,224	304,780	185,439		185,440								840,311		
HPQA																	
Expense Reconciliation	CHC Contract	-	-	(20,000)	(10,000)	(10,000)	(10,000)	-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(119,000)	(119,000)	

Revenues received from the CHC Contract are deposited into the HPQA (non-BID) account
Beginning assets and beginning liabilities in April 2007 do not match ending assets and ending liabilities of March 2007 due to adjustments made when preparing the December 31, 2006 financial statements